# <u>MEMORANDUM</u>

TO:

KEDFA Board Members

FROM:

Jean Hale, Chairman

Kentucky Economic Development Finance Authority

DATE:

June 20, 2016

SUBJECT:

**KEDFA Special Meeting** 

June 23, 2016

A special meeting of the Kentucky Economic Development Finance Authority is called for 3:30 p.m. (EDT) on Thursday, June 23, 2016 via video conference.

Meeting locations are as follows:

Frankfort

Kentucky Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Board of Directors Conference Room

Pikeville

Community Trust Bank, Inc., 346 North Mayo Trail, 5th Floor Conference Room

Glasgow

South Central Bank Operations Center, 501 S. L Rogers Wells Blvd, Board Room

The purpose of the meeting is to consider a Kentucky Business Investment (KBI) project in Warren County. The agenda is attached for your review.

In order to insure a quorum for the meeting, please confirm your attendance with Teresa Spreitzer at (502) 782-1979 or via e-mail to <u>TeresaM.Spreitzer@ky.gov</u> no later than COB, Tuesday, June 21, 2016.

**Attachment** 

# **KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

Old Capitol Annex
Board of Directors Conference Room
300 West Broadway
Frankfort, Kentucky

#### **AGENDA**

Special Board Meeting June 23, 2016 3:30 p.m. EDT

Call to Order Notification of Press Roll Call

1. KBI Project (Preliminary) - Warren County - Presented by John Bevington and Debbie Phillips

Adjournment

#### **Video Conference Sites:**

Cabinet for Economic Development Board of Directors Conference Room Old Capitol Annex 300 West Broadway Frankfort, Kentucky

Community Trust Bank, Inc. 5th Floor Conference Room 346 North Mayo Trail Pikeville, Kentucky

South Central Bank Operations Center Board Room 501 S. L Rogers Wells Blvd. Glasgow, Kentucky

# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY KBI REPORT - PRELIMINARY APPROVAL

Date:

June 23, 2016

Approved Company:

General Motors LLC

City:

Bowling Green

County: Warren Prelim Resolution #: KBI-I-16-21120

Activity:

Manufacturing J. Bevington

Bus. Dev. Contact:

OFS Staff: D. Phillips

**Project Description:** 

General Motors LLC manufactures and markets automobiles, automotive systems, engines, heavy duty automatic transmissions, component parts and locomotives worldwide. The company is considering an expansion of its Bowling Green facility to add new technologies and processes to meet

increasing customer demand.

Facility Details:

Expanding existing operations

Anticipated Project Investment - Owned

Land

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment	
\$0	\$0	
\$1,900,000	\$1,900,000	
\$5,400,000	\$152,000,000	
\$0	\$0	
\$7,300,000	\$153,900,000	

### NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost
As of Activation Date	270	\$21.00	Limitation
1	270	\$21.00	\$300,000
2	270	\$21.00	\$300,000
3	270	\$21.00	\$300,000
4	270	\$21.00	\$300,000
5	270	\$21.00	\$300,000
6	270	\$21.00	\$300,000
7	270	\$21.00	\$300,000
8	270	\$21.00	\$300,000
9	270	\$21.00	\$300,000
10	270	\$21.00	\$300,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

1	\$3	,000	,000	

County Type:

Other

**Statutory Minimum Wage Requirements:** 

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Publicly traded

Active State Participation at the project site:

<u>Date</u> Jan 28, 2016 Mar 28, 2013 Program KEIA KBI

Status Approve-Final Monitor

<u>Amount</u> \$1,000,000 \$12,000,000

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% - The City of Bowling Green

**Unemployment Rate** 

County: 3.7%

Kentucky: 4.6%

**Existing Presence in Kentucky:** 

Warren County

## **Special Conditions:**

The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 1,030 (base employment number required by previous project) full-time, Kentucky resident employees.